

Message Text

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PAGE 01 STATE 093055
ORIGIN XMB-04

INFO OCT-01 NEA-10 ISO-00 EB-08 TRSE-00 CIAE-00 INR-10
NSAE-00 /033 R

XMB

DRAFTED BY XMB: L M LAROCHE:CR
APPROVED BY NEA/AFN:JKBISHOP
XMB: C NORRIS
EB/IFD/ODF:AFWATSON
-----089489 112336Z /73

P R 112227Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY ALGIERS PRIORITY
INFO AMCONSUL ORAN

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E.O. 11652:N/A DRAFT)

TAGS: EFIN, AG

SUBJECT: EXIMBANK WRAP-UP

1. SUMMARY: ON 6 APRIL EXIMBANK APPROVED (A) PRELIMINARY
COMMITMENTS (PC'S) TO MORRISON-KNUDSEN AND SEDCO FOR
HASSI R'MEL - ARZEW GAS PIPELINES, (B) LETTER OF INTEREST
(L/I) TO BECHTEL FOR HASSI R'MEL - ARZEW LPG PIPELINE,
(C) L/I TO PULLMAN KELLOGG FOR ARZEW LPG PROJECT (AND
ISSUED L/I TO FLUOR FOR SAME PROJECT), (D) L/I TO PACCAR
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FOR TRUCKS AND TRACTORS TO SONACOME, AND (E) EXTENSION
OF PC TO FOSTER WHEELER ON LNG-3. THIS IS FYI, AND WHILE
YOU MAY CONFIRM VARIOUS ACTIONS TO SONATRACH, GOA, OR
SUPPLIERS' REPS ON IF ASKED BASIS, WE WISH TO AVOID
GIVING ALGERIANS IMPRESSION THAT THERE WAS ANY LOGJAM BY
ADVISING THEM OF BLANKET APPROVAL. END SUMMARY.

2. PC 4153 TO MORRISON-KNUDSEN FOR DOLS 162 MILLION IN
U.S. COSTS OF TWO 42-INCH GAS PIPELINES, IS ON BASIS OF

15 PERCENT CASH (DOLS. 24.3 MILLION), 55 PERCENT EXIM LOAN AT 8.5 PERCENT INTEREST (DOLS. 89.1 MILLION), AND 30 PERCENT UNGUARANTEED PRIVATE LOAN (DOLS 48.6 MILLION). REPAYMENT IN 16 S/A'S BEGINNING 6 MONTHS AFTER COMPLETION BUT NOT LATER THAN 31 OCT 82.

3. PC 4153A TO SEDCO FOR SAME PROJECT ON SAME PATTERN AND TERMS, EXCEPT REPAYMENT STARTING 30 NOV 81 (REFLECTING SHORTER ESTIMATED CONSTRUCTION PERIOD). AMOUNTS BASED ON DOLS. 152.6 MILLION IN U.S. COSTS ARE CASH DOLS 22,890,000, EXIM LOAN DOLS. 83,930,000, AND PRIVATE LOAN DOLS. 45,780,000.

4. L/I TO BECHTEL IS FOR DOLS. 39 MILLION IN U.S. COSTS OF 24-INCH LIQUEFIED PETROLEUM GAS (LPG) PIPELINE.

5. L/I TO PULLMAN KELLOGG IS FOR DOLS. 295 MILLION IN U.S. COSTS OF LPG SEPARATION AND STORAGE FACILITIES AT ARZEW.

6. L/I TO FLUOR IS FOR DOLS 119 MILLION IN U.S. COSTS OF ARZEW LPG PROJECT.

7. PARSONS, TO WHICH L/I ISSUED IN OCT 77, KELLOGG, LIMITED OFFICIAL USE

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AND FLUOR ARE ALL IN PROCESS OF SUBMITTING DETAILED (AND REVISED) INFO TO SUPPORT PC REQUESTS ON ARZEW LPG PROJECT.

8. L/I TO PACCARIS FOR DOLS 53 MILLION IN U.S. COSTS OF 973 TRUCKS, TRACTORS, AND RELATED EQUIPMENT TO SONACOME. (VARIOUS OTHER U.S. MANUFACTURERS AND BANKS HAVE INQUIRED INFORMALLY ABOUT SAME OR OTHER PORTIONS OF OVERALL PACKAGE OF TRUCK EQUIPMENT. THEY MAY REQUEST L/I'S OR ADVANCE COMMITMENTS UNDER MEDIUM-TERM BANK GUARANTEE OR FICA INSURANCE PROGRAMS. IF CHANCES APPEAR GOOD FOR SALES BY VARIOUS SUPPLIERS, EXIMBANK MAY CONSIDER SINGLE DIRECT LOAN PACKAGE WITH SEPARATE PRIVATE BANK PARTICIPATIONS FOR RESPECTIVE SUPPLIERS' PORTIONS, AS WAS DONE UNDER CREDIT NO. 6309 TO SONATRACH FOR DRILLING RIGS AND OILFIELD EQUIPMENT.)

9. PC 3986 TO FOSTER WHEELER ON LNG-3 EXTENDED TO 30 SEPT 78, OTHER TERMS AND CONDITIONS AS AMENDED OCT 77 REMAINING UNCHANGED.

10. COPIES OF PC LETTERS AND L/I'S BEING POUCHED. WISH TO RECALL TO EMBASSY THAT PC'S AND L/I'S ARE NOT PUBLICIZED BY BANK, ONLY FINAL COMMITMENTS. BANK

GENERALLY REFRAINS FROM EVEN CONFIRMING OR DENYING TO EXPORTERS OR BANKS THAT COMPETING PC'S ARE PENDING OR HAVE BEEN ISSUED. EXCEPTIONS WOULD BE CASES SUCH AS LNG-2 OR 3, WHERE IT IS PUBLIC KNOWLEDGE THAT ENGINEERING AND CONSTRUCTION CONTRACT HAS ALREADY BEEN AWARDED, OR

TRUCK CASE WHERE OBVIOUSLY NUMEROUS MANUFACTURERS ARE AWARE OF TENDER. NEVERTHELESS, EXPORTERS OFTEN CAN DEDUCE EXISTENCE OF OTHER U.S. COMPETITION OR MAY BE TOLD SO BY ALGERIANS. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, ECONOMIC ASSISTANCE, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE093055
Document Source: CORE
Document Unique ID: 00
Drafter: L M LAROCHE:CR
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780156-0483
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780468/aaaacgfl.tel
Line Count: 125
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cb9561b2-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3002091
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK WRAP-UP
TAGS: EFIN, AG, XMB
To: ALGIERS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/cb9561b2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
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